

AR47

ANNUAL
REPORT
1962

ASBESTOS CORPORATION LIMITED



ASBESTOS CORPORATION LIMITED

President and Managing Director	A. L. Penhale
Vice President	Kenneth T. Dawes
Vice President and General Counsel	J. E. L. Duquet, Q.C.
General Manager	G. F. Jenkins
Asst. General Manager	W. W. Oughtred
Special Assistant to the President	J. A. D. Marcotte

OPERATIONS DIVISION

Accounting and Purchasing Dept.	J. W. McCarvill, Comptroller J. Yves Paquet, Purchasing Agent
Corporate and Financial Dept.	I. C. Campbell, Secretary-Treasurer
Exploration Department	P. H. Riordon, Manager
Methods and Training Dept.	J. G. Mooney, Manager
Personnel Department	J. A. Wayland, Manager
Production Department	C. H. McNaughton, Manager C. G. Bourne, Plant Manager, King-Beaver Mine F. A. Cunningham, Plant Manager, British Canadian Mine W. H. Foster, Plant Manager, Normandie Mine
Product Research & Development Dept.	G. F. A. Brink, Manager

SALES DIVISION

Sales and Traffic	M. P. Carson, Gen. Sales Manager A. C. Steele, Asst. Gen. Sales Manager J. P. Lafontaine, Sales Office Manager R. G. Kazi, Market Research Manager G. R. Biron, Traffic Manager
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ASBESTOS CORPORATION (EXPLORATIONS) LIMITED

TORONTO OFFICE	E. G. Robinson, Regional Manager
VANCOUVER OFFICE	W. G. Stevenson, Regional Manager
CALIFORNIA OFFICE	J. H. Bright, Regional Manager

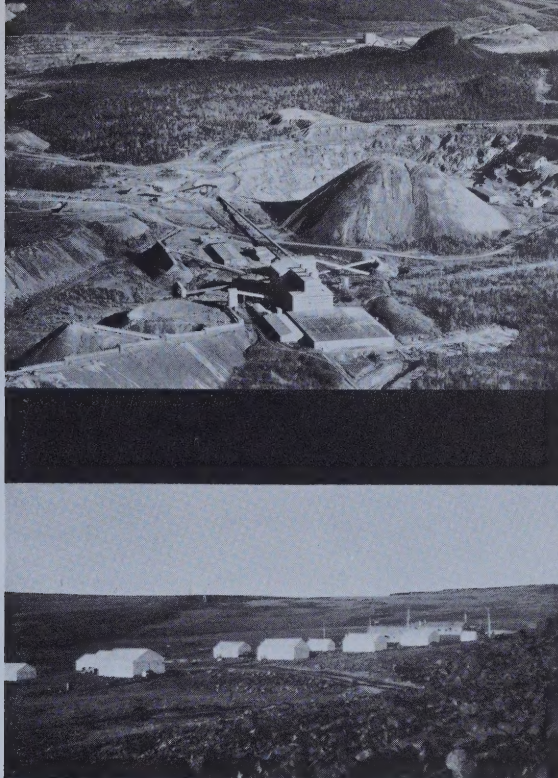
ASBESTOS CORPORATION SERVICES LIMITED

LONDON, ENGLAND	W. A. Janitch, Vice-President
CHICAGO OFFICE	P. E. Leclerc, District Manager, Central District
CALIFORNIA OFFICE	E. L. Alexander, District Manager, Western District
NEW YORK OFFICE	V. H. Tower, District Manager, Eastern District

ANCHOR HOLDINGS LIMITED

GENERAL MINERALS BENEFICIATION LIMITED

FEB 23 1963



ANNUAL REPORT

and statement of accounts for the
year ended December 31, 1962

ASBESTOS CORPORATION LIMITED

HEAD OFFICE: ROOM 522, CANADA CEMENT BUILDING, 610 CATHCART STREET, MONTREAL, QUEBEC

BOARD OF DIRECTORS

W. A. Arbuckle

G. F. Jenkins

Paul Bienvenu

J. A. D. Marcotte

A. M. Campbell

A. L. Penhale

K. T. Dawes

Lt. Col. J. G. Ross

J. E. L. Duquet, Q.C.

Edward C. Wood



HIGHLIGHTS OF 1962

	1962	1961
INCOME BEFORE TAXES.....	\$4,805,633	\$6,623,684
PROVISION FOR TAXES ON INCOME.....	1,528,000	2,538,000
INCOME AFTER TAXES.....	3,277,633	4,085,684
EARNINGS PER SHARE*.....	\$1.64	\$2.04
PAID TO SHAREHOLDERS AS DIVIDENDS.....	3,200,000	2,880,000
DIVIDENDS PER SHARE.....	\$1.60	\$1.60
NUMBER OF SHAREHOLDERS.....	6,605	6,622
RE-INVESTED IN THE BUSINESS.....	77,632	1,205,684
WORKING CAPITAL.....	9,980,413	11,612,935
DEPRECIATION.....	1,750,000	1,850,000
TOTAL ASSETS.....	45,968,591	39,107,197
PAID TO EMPLOYEES DURING THE YEAR.....	10,424,794	9,249,437
NUMBER OF EMPLOYEES.....	1,910	1,836

*Based on present issued capital stock of 2,000,000 shares

REPORT OF THE DIRECTORS to the shareholders

Montreal, February 22nd, 1963

Your Directors submit the thirty-seventh annual report of the Company and its subsidiary companies with the consolidated Balance Sheet and Statement of Income and Earned Surplus for the year ended December 31, 1962 as certified by your auditors, Messrs. Price, Waterhouse & Co.

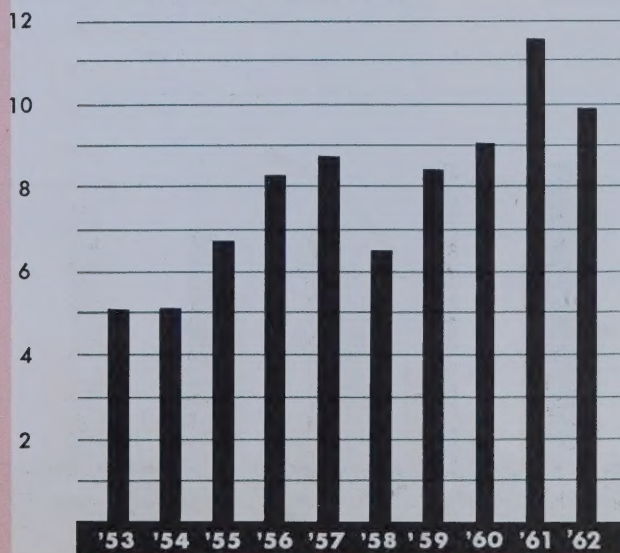
Income for the year, after all expenses but before providing for depreciation or taxes on income, came to \$4,805,633 as compared with \$6,623,684 for the year 1961. Depreciation amounted to \$1,750,000 and the amount of \$1,528,000 was provided for taxes on income, leaving net earnings of \$3,277,633 compared to \$4,085,684 in the previous year. Earnings per share based on the present issued share capital of 2,000,000 shares, came to \$1.64 compared to \$2.27 per share on the 1,800,000 shares outstanding in 1961 and equivalent to \$2.04 per share on an adjusted basis. Dividends amounting to \$1.60 per share were paid during the year, the same rate as in the previous year.

As reported to the shareholders at the last annual meeting, your Company has entered into an agreement with one of its principal customers, Eternit S.A. of Kapelle-op-den-Bos, Belgium, whereby 200,000 fully paid and non-assessable common shares of the

capital stock of your Company, constituting a 10% interest, were issued and subsequently exchanged for an approximately equivalent interest in the Belgian Company. Included in this agreement is a long term supply contract with this important consumer of asbestos fibre. As a result, there is now issued and outstanding a total of 2,000,000 shares of the company's capital stock and this increase is reflected in the balance sheet.

During the year the Company took an option on an asbestos prospect in Northern Ungava controlled by Murray Mining Corporation and its subsidiary company, Keewa Quebec Mines Limited. Under this option agreement, the terms of which have already been published, your company has the right to acquire at different prices, either all of the assets of those two companies or a 51% interest in the shares of a company holding these assets. During 1962 extensive field work was carried out, the results of which will be assessed during the coming months. A new item appears in the Balance Sheet entitled "Exploration and development expenses—properties under option", amounting to \$1,373,792. This figure represents expenditures on potential mining properties under option to your company, mainly the one referred to above.

WORKING CAPITAL
(in millions of dollars at year end)



SALES

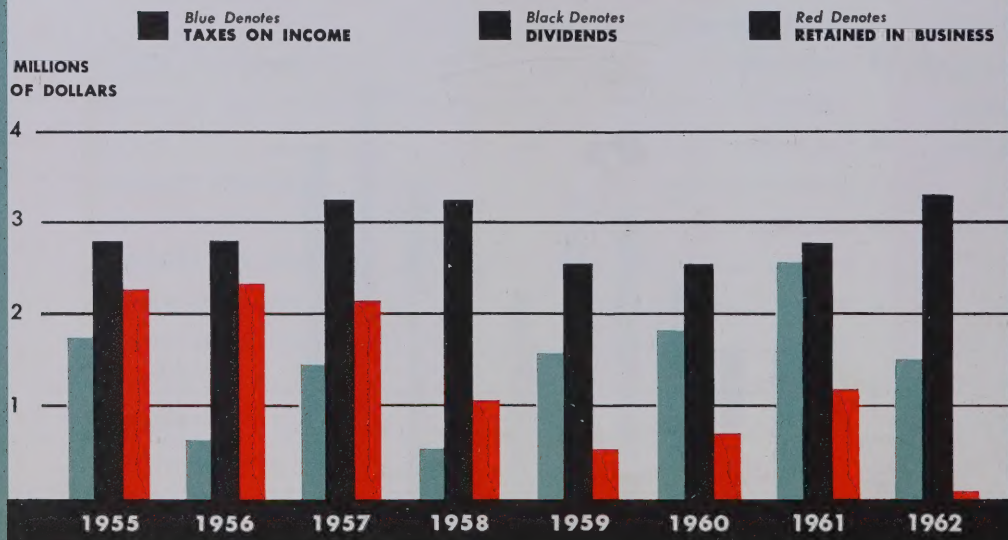
Although sales for 1962 had initially been expected to reach about the same level as in 1961, this was not achieved. Due to internal economic problems in some countries and to some price instability in certain areas, the volume of asbestos shipped was lower than in 1961, while the value was off to an even greater extent by just over 7% in comparison with the previous year. The most significant drop was in Japan, where shipments during the second half of the year were considerably below expectations, although your company's share of that market increased. Economic conditions in Japan seem now to have taken a turn for the better and it is hoped that this may soon be reflected in an improvement in sales to that country. Sales to the United States improved during 1962 and this trend is expected to continue into 1963.

Competition is very keen, both from domestic and from foreign sources. New properties are expected to come into production during 1963 and this may cause some further temporary unsettlement in the market for

asbestos fibre. On the other hand, new factories for the manufacture of asbestos products, particularly in the asbestos-cement field, are being built in several countries and this expansion seems likely to continue. In consequence, while no spectacular improvement is anticipated for 1963, the long range prospect for greater demand for asbestos fibre seems bright.

The past year was the first full year of operation for your Company's wholly owned subsidiary, Asbestos Corporation Services Limited, which provides technical service to asbestos consumers and in this role has proved very successful. During the year your Company's sales representation was reviewed and strengthened. In keeping with the increasing emphasis on research, the Quality Control Department was re-organized, expanded and incorporated into a new Product Research & Development Department. An advertising programme in selected trade magazines was carried on during the year and the results were gratifying.

DISTRIBUTION OF NET EARNINGS



OPERATIONS

The King-Beaver and the British Canadian Mines operated at virtual capacity throughout the year and without the usual vacation-repair shutdowns. Normandie Mine was closed for the usual two weeks vacation period and for the last three months of the year operated on a five-day week basis instead of the normal six days. At the year end operations at the King-Beaver were cut back from six to five days a week. Overall asbestos production for the year was 6.2% ahead of 1961.

The following summary shows a comparison of the total materials handled at all mines during each of the past two years:

	1962	1961
Stripping	1,267,123 cu.yds.	2,505,010 cu.yds.
Barren Rock		
Mined	10,882,647 tons	10,279,059 tons
Barren Rock		
Picked	487,183 tons	406,979 tons
Ore Milled	4,601,973 tons	4,275,948 tons
Average Daily		
Tonnage of		
Rock Mined...	54,390 tons	56,240 tons
Average Daily		
Tonnage of		
Ore Milled....	15,489 tons	15,381 tons

Based on the extensive diamond drilling programme undertaken at the Normandie Mine in the past two years, the ore reserves at that property have been recalculated. After giving effect to this revaluation, taking into account additional ore revealed on properties adjacent to existing operations and allowing for ore consumed in the year's operations, ore reserves at the year end were as follows:

	1962	1961
	(Tons)	(Tons)
King-Beaver	12,400,000	13,870,000
British Canadian	46,880,000	48,760,000
Normandie	20,300,000	23,250,000
Other Properties	14,200,000	12,900,000
	93,780,000	98,780,000

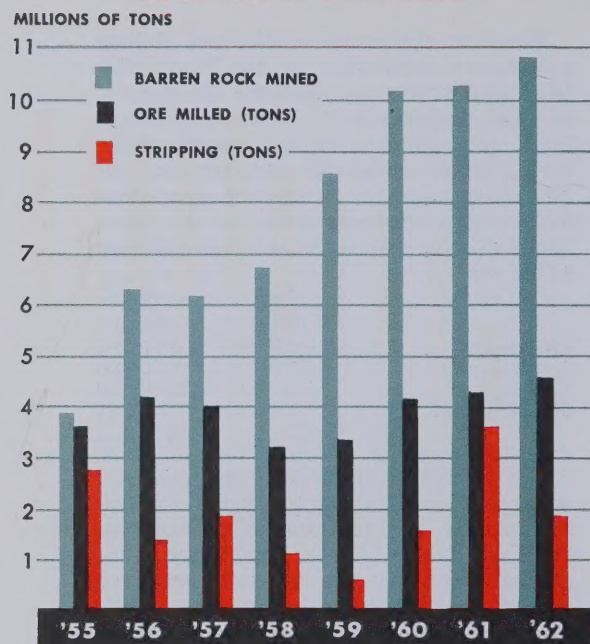
Net capital expenditures on new plant and equipment at all mines totalled \$1,291,969 for the year. At the Normandie Mine, five new Canadian built 35-ton diesel trucks were purchased for open pit operations and gave outstanding performance. A new type of self-propelled 6" diameter down-the-hole drill was bought and proved most economical. A new type of nylon-acetate filter bag was tested in the dust collecting system and was found

DISTRIBUTION OF INCOME DOLLAR

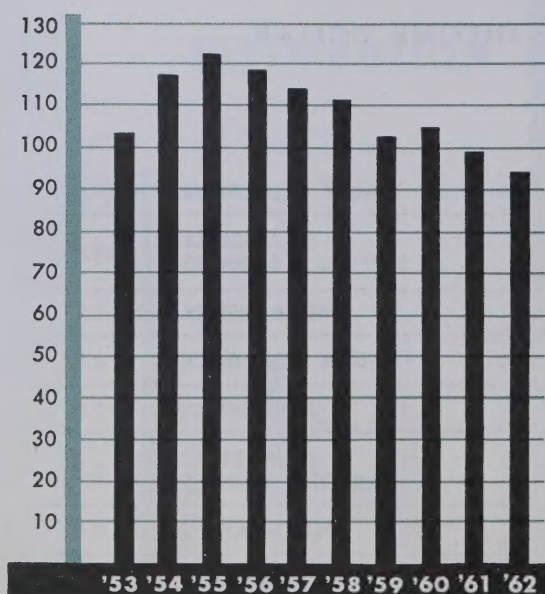


	%
WAGES & SALARIES	39.0
MATERIALS SUPPLIES & SERVICES	25.4
FUEL & POWER	5.2
TAXES & INSURANCE	8.2
DIVIDENDS	12.8
RE-INVESTED IN THE BUSINESS	0.3
DEPRECIATION	6.9
OTHER REQUIREMENTS	2.2
TOTAL:	100%

TONNAGES HANDLED



ORE RESERVES (in millions of tons)



to give improved efficiency. Alterations were made to the waste rock sorting arrangements. At the British Canadian Mine the major expenditure was in the expansion of the picking facilities for barren rock. Eight diesel trucks were equipped with more powerful engines with resultant savings in operating costs. The saving in costs upon the conversion from coal-fired to oil-fired drying at both the British Canadian and King-Beaver Mines has more than justified the expenditure made in the previous year. Underground development at the King-Beaver Mine was double that of 1961. A new 3-cu. yd. diesel shovel of Canadian manufacture was purchased for open pit operations and the payload of the ore haulage trucks was improved 17% by the installation of larger light weight truck boxes.

Diamond core drilling was slightly higher than last year as can be seen from the tabulation which follows:

	1962 (feet)	1961 (feet)
King-Beaver	21,172	40,729
British Canadian	11,014	5,097
Normandie	65,058	70,957
Non-Operating Properties	36,987	26,014
Outside Properties	18,540	—
	152,771 ft.	142,797 ft.

The major part of the drilling on outside properties was on the Asbestos Hill Project in Ungava.

EXPLORATION

In addition to the work carried out at Asbestos Hill with which your Company's exploration staff was primarily concerned in the past year, its wholly owned subsidiary company, Asbestos Corporation (Explorations) Limited, was active in many other areas. Joint exploration ventures were also carried out with Consolidated Zinc Corporation of Canada Limited in the Noranda area, and with British Newfoundland Explorations Limited in Labrador. Your Company is also participating in the exploration programme of British Ungava Explorations Limited.

In western Canada considerable prospecting was carried on in the Yukon Territory and in British Columbia, partly in partnership with Yukon Consolidated Gold Corporation. Independent investigation was carried

out on more than thirty prospects in Canada during the year of which twelve are still under option or held as claims and will be further examined.

In California a promising short fibre deposit has been optioned and at the year end a feasibility report was being prepared to determine whether this property should be placed in production.

GENERAL

During the year new labour contracts were negotiated with both hourly paid and salaried employees for a period of three years, providing for annual increases in wages and salaries as well as in other employee benefits.

The crushing burden of taxation, both direct and indirect, continues to pose serious problems for all industry and particularly for the mining industry, which has a special need to accumulate capital to enable it to carry on the extensive, costly and too often unrewarding programmes of exploration and development of new mining properties, so essential if it is to maintain its existence. The impact of high rates of corporate income taxes and their effect in retarding, if not preventing, the formation of new capital is well known to industrialists and economists alike. The amount of municipal and school taxes paid annually by your Company has increased by nearly 300% in the last few years. Others forms of taxation have also risen to extreme levels.

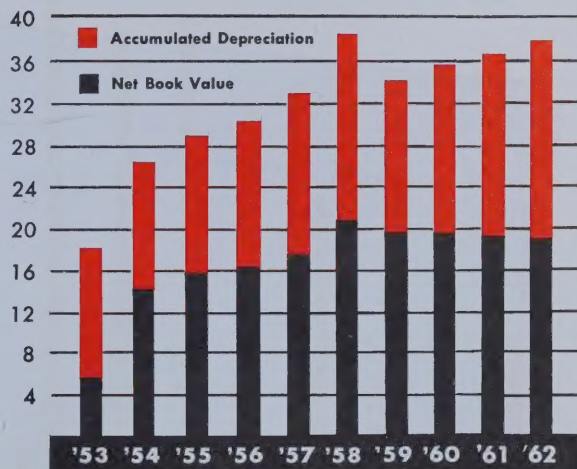
Faced with many such uncontrollable factors, intensive efforts are being made to achieve cost reductions in all areas where it is possible to exercise control. One phase of this effort, dealing with purchasing policies and procedures, is described elsewhere in this report.

In this Company, as in most enterprises, its success is dependent on the efforts of all those associated with it. In closing this report, therefore, your Directors wish to record their appreciation of the continued loyalty, support and efficiency of all the employees of the Company throughout the year.

On behalf of the Board of Directors,

A. L. PENHALE
President & Managing Director

PLANT and EQUIPMENT (in millions of dollars at year end)



AUDITORS' REPORT

PRICE WATERHOUSE & Co.

CANADA CEMENT BUILDING
PHILLIPS SQUARE
MONTREAL 2

January 21 1963

AUDITORS' REPORT TO THE SHAREHOLDERS OF
ASBESTOS CORPORATION LIMITED:

We have examined the consolidated balance sheet of Asbestos Corporation Limited and its subsidiary companies as at December 31 1962 and the consolidated statement of income and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and consolidated statement of income and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the companies as at December 31 1962 and the results of their combined operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent in all material respects with that of the preceding year.

Price Waterhouse & Co.
Chartered Accountants.

ASBESTOS CORPORATION LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS
YEAR ENDED DECEMBER 31 1962

	1962	1961 comparison
Income from operations before taking into account the items undernoted	\$ 6,268,411	\$ 8,228,378
Income from investments	416,856	378,952
Miscellaneous income	261,326	121,489
	<u>\$ 6,946,593</u>	<u>\$ 8,728,819</u>
 Executive salaries	 \$ 164,747	 \$ 131,820
Legal fees	17,888	11,797
Directors' fees	11,900	11,300
Exploration and prospecting expenses	196,425	100,218
Provision for depreciation	1,750,000 2,140,960	1,850,000 2,105,135
	<u>\$ 4,805,633</u>	<u>\$ 6,623,684</u>
 Provision for current taxes on income	 \$1,049,000	 \$2,481,000
Tax applicable to future years (Note)	479,000 1,528,000	57,000 2,538,000
	<u>\$ 3,277,633</u>	<u>\$ 4,085,684</u>
 Net income	 11,377,484	 10,171,800
Earned surplus, January 1	\$14,655,117	\$14,257,484
 Dividends—		
Regular	\$2,400,000	\$2,160,000
Extra	800,000 3,200,000	720,000 2,880,000
	<u>\$11,455,117</u>	<u>\$11,377,484</u>
 Earned surplus, December 31		

Note: Capital cost allowances and exploration and development costs in excess of those recorded in the above statement are being claimed as deductions from taxable income of this year and the related tax deferment of \$479,000 is treated as tax applicable to future years.

ASBESTOS CORPORATION

CONSOLIDATED BALANCE SHEET

ASSETS	1962	1961 comparison
CURRENT ASSETS:		
Cash	\$ 665,175	\$ 750,675
Government of Canada securities, at cost (Market value \$2,832,000)	2,809,063	6,090,750
Accounts and bills receivable, less allowance for doubtful accounts	2,772,786	2,863,675
Inventories of stocks on hand—		
Asbestos, valued at the lower of cost or market	4,588,532	3,364,717
Materials and supplies, at laid down cost	1,403,607	1,415,302
Prepaid taxes, insurance, etc.	313,010	194,815
	<u>\$12,552,173</u>	<u>\$14,679,934</u>
SPECIAL FUNDS AND INVESTMENTS:		
Cash, trust certificates, government securities and other investments set aside for special corporate purposes	\$ 5,045,535	\$ 4,118,584
Shares of foreign companies, at cost (see note)	7,433,660	633,660
Employees' mortgages	344,550	317,150
	<u>\$12,823,745</u>	<u>\$ 5,069,394</u>
PROPERTIES, at cost:		
Land and mineral areas	\$ 2,358,065	\$ 2,358,065
Less: Accumulated depletion	1,917,847	1,917,847
	<u>\$ 440,218</u>	<u>\$ 440,218</u>
Buildings, plant and equipment	\$37,845,526	\$36,553,557
Less: Accumulated depreciation	19,066,863	17,635,906
	<u>\$18,778,663</u>	<u>\$18,917,651</u>
Exploration and development costs on properties under option	\$ 1,373,792	\$ —
	<u>\$20,592,673</u>	<u>\$19,357,869</u>
	<u><u>\$45,968,591</u></u>	<u><u>\$39,107,197</u></u>

SIGNED ON BEHALF OF THE BOARD:

A. L. PENHALE, Director
KENNETH T. DAWES, Director

ON LIMITED AND SUBSIDIARY COMPANIES

SHEET - DECEMBER 31 1962

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities
Income and other taxes

\$ 2,201,975
369,785

\$ 1,750,814
1,316,185

\$ 2,571,760

\$ 3,066,999

DEFERRED CREDIT—tax applicable to future years

\$ 4,629,000

\$ 4,150,000

CAPITAL STOCK:

Represented by 2,000,000 shares of no par value out of a
total authorized issue of 3,600,000 shares
(200,000 shares issued in 1962—see note)

\$12,312,714

\$ 5,512,714

GENERAL RESERVE

\$14,000,000

\$14,000,000

SURPLUS:

Distributable surplus
Earned surplus, per statement attached

\$ 1,000,000
11,455,117

\$ 1,000,000
11,377,484

\$12,455,117

\$12,377,484

CONTINGENT LIABILITY:

For US\$2,000,000 in respect of endorsement of certain
notes, the payment of which is guaranteed by foreign
banks.

NOTE: Shares of a foreign company were acquired in 1962 in
exchange for 200,000 of the Company's no par value shares, issued
and valued by the directors at approximate market.

\$45,968,591

\$39,107,197

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED DECEMBER 31 1962

Funds provided from net income for the year before provision of \$1,750,000 for depreciation	\$5,027,633	
Tax deferment applicable to future years	479,000	
Decrease in working capital	1,632,522	
Total, accounted for below		<u>\$7,139,155</u>
Capital expenditures on properties	\$2,984,804	
Dividends paid	3,200,000	
Other security purchases and additions to special funds	954,351	
		<u>\$7,139,155</u>



A FIVE YEAR SUMMARY

	1962	1961	1960	1959	1958
Net income before taxes	\$ 4,805,633	\$6,623,684	\$5,089,653	\$4,676,379	\$4,743,769
Provision for taxes on income	\$ 1,528,000	\$2,538,000	\$1,830,000	\$1,619,000	\$ 609,000
Income after taxes	\$ 3,277,633	\$4,085,684	\$3,259,653	\$3,057,379	\$4,134,769
Earnings per share*	\$ 1.64	\$ 2.04	\$ 1.62	\$ 1.52	\$ 2.06
Paid to shareholders as dividends	\$ 3,200,000	\$2,880,000	\$2,520,000	\$2,520,000	\$3,150,000
Re-invested in the business	\$ 77,633	\$1,205,684	\$ 739,653	\$ 537,379	\$1,070,110
Dividends per share	\$ 1.60	\$ 1.60	\$ 1.40	\$ 1.40	\$ 1.75
Number of shareholders	6,605	6,622	6,729	6,573	5,959
Paid to employees during the year	\$10,424,794	\$9,249,437	\$9,109,427	\$8,411,898	\$9,085,916
Number of employees	1,910	1,836	1,863	1,796	1,995

*Based on the present issued capital stock of 2,000,000 shares





J. YVES PAQUET,
Purchasing Agent.

PURCHASING

Of the many staff functions in the modern corporate enterprise, that of the purchasing department is, in today's competitive markets, one of the most important. The buying of the equipment, supplies and services required by a company can only be on a strictly business-like basis; price, quality and service are the criteria—and the only criteria—which must be met.

In your company, purchases of goods and services amounted to more than \$8,000,000 in the year just past. With such a volume, the savings in costs realized by the shrewd purchase of just one major item can be substantial, whether it be of a capital nature or an article consumed in volume during day-to-day operations.

The purchasing function, however, is much more than hard bargaining on price with the multitude of suppliers of a given product or service. To exercise its effective role in the corporate scheme of affairs, the purchasing department must maintain constant liaison with many other departments of the company to ensure that technical requirements are met, that inventories are sufficient but not financially burdensome, and that services rendered correspond to contracts let.

It must keep abreast of, and be prepared to recommend, new products and services, or new sources of supply that can be used with profit by the company. It must maintain an up-to-date knowledge of sales tax and customs tariff regulations and of other governing laws.

To any complex task of this nature the keys are organization and personnel. In this respect, your company takes pride in its purchasing department staff and the procedures and controls which have been developed to make the company's buying practices so efficient.

Some idea of the volume of purchases of materials, supplies, services and equipment handled, can be gained from the figure of \$8,000,000 cited, but such a figure does not reveal the tremendous variety of items necessary for the operation of a large mining company. Power shovels and spatulas, diesel truck tires and erasers, bunker fuel oil and ink, explosives and cellulose tape, steel beams and wire nails, all add up to thousands of items which must be bought advantageously, kept in stock, recorded and distributed at minimal cost.

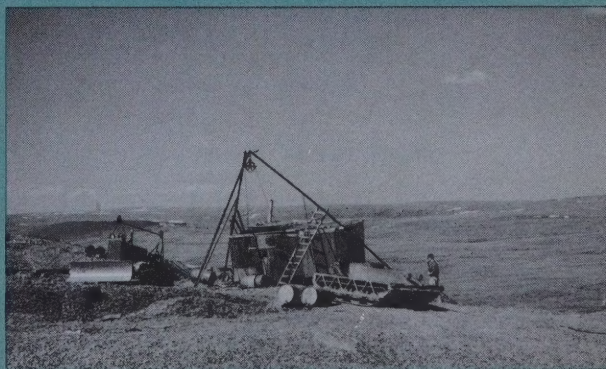
ASBESTOS HILL PROJECT

Twelve hundred miles due north of Montreal, in the Ungava Peninsula of New Quebec, some 40 miles from the shores of Hudson Strait, well beyond the tree line and in the area of permafrost, lies an asbestos deposit of considerable interest, known as Asbestos Hill.

Your company in the spring of 1962 entered into an option agreement with the companies controlling this deposit, which must be exercised on or before May 1, 1964. During this option period, the company has agreed to spend a considerable sum of money in engineering and other studies with a view to determining the feasibility of bringing the Asbestos Hill property into production.

Last summer, a concentrated field programme was undertaken in order to obtain the physical data required for a definite estimate of the cost of the project. The engineering studies based on these findings are now underway. At the time of writing, a small group of men are encamped on the spot for the winter, to observe and report on weather conditions and to transport supplies by tractor train from the coast.

Constructing the necessary plant, town-site and other facilities, and the operation of an asbestos mine in such latitudes, pose challenging, but not insurmountable problems. The necessary studies involved in such a project are proving interesting and stimulating to a large cross-section of your company's staff.



ASBESTOS CORPORATION LIMITED

REPRESENTATIVES IN ALL PARTS OF THE WORLD

CANADA

MONTREAL, QUE. Albion Asbestos Packings (1959) Ltd.,
2195 Ekers Ave.

TORONTO, ONT. Canadian Asbestos Ontario Ltd.,
27 Front St. East

UNITED STATES

BALTIMORE 2, MD. Wallace & Gale Company,
115 - 119 So. Gay St.

BUFFALO 10, N.Y. James O. Meyers' Sons,
290 Larkin St.

CHICAGO 45, ILL. Donald R. Fitzgerald Co.,
5875 N. Lincoln Ave.

CINCINNATI 3, OHIO C. L. Zimmerman Company,
C-8 Cincinnati Union Terminal

CLEVELAND 11, OHIO Carl T. Schuster Co.,
3540 Norton Road

DETROIT 19, MICHIGAN Gerald J. Fahey,
16772 Plainview Road

FORT WORTH, TEXAS Lehman-Phillips Inc.,
2550 Glendale Avenue

LOS ANGELES 23, CAL. L. H. Butcher Company,
3628 E. Olympic Blvd.

MIAMI, FLORIDA Industrial Supply Co.,
1904 South 31st Ave.,
Hallandale

NEW ORLEANS 26, LA. D. F. Condon Company,
Box 26012, Chef Menteur Station

NEW YORK 7, N.Y. Whittaker, Clark & Daniels Inc.,
100 Church St.

PHILADELPHIA 40, PA. Charles A. Wagner Co. Inc.,
4455 N. 6th Street

PITTSBURGH 22, PA. E. E. Zimmerman Company,
1704 Keenan Building

PORTLAND 10, OREGON L. H. Butcher Company,
2750 N.W. 31st Avenue

ST. PAUL 14, MINN. MacArthur Company,
936 Raymond Avenue

SALT LAKE CITY 4, UTAH L. H. Butcher Company,
407 West, 17th South St.

SAN FRANCISCO 1, CAL. L. H. Butcher Company,
15th & Vermont Sts.

SEATTLE 24, WASH. L. H. Butcher Company,
5601 First Avenue South

SPOKANE 2, WASH. L. H. Butcher Company,
East 844, Trent Avenue

OVERSEAS

ARGENTINA Decker, I.C.A.F.I.S. en C.
Avenida Belgrano 836-48,
Buenos Aires, Argentine

AUSTRALIA Hardie Trading Limited,
594 St. Kilda Road,
Melbourne, S.C. 3.

**BURMA, CEYLON, INDIA,
EAST PAKISTAN,
SINGAPORE** G. Williams & Co.,
"Advent", 8th floor,
Foreshore Rd.,
Bombay, India.

FINLAND Oy. Esope Ab.,
Box 6233,
Helsinki, Finlande

FRANCE, BELGIUM Georges Parly & Cie.,
10, rue de la Pepinière,
Paris 8, France

GERMANY, AUSTRIA Becker & Haag,
Hapag-Haus
58 Ferdinandstrasse,
Hamburg 1, Germany

ITALY Soc. Fibramianto A.R.L.,
Piazza P. Clotilde 6,
Milan 501, Italy

JAPAN Tokyo Tsusho Kaisha Ltd.,
5-3 Chome Kyobashi,
Tokyo, Japan

KOREA Dongmee International,
P.O. Box "International 1224",
Seoul, Korea

MEXICO ACOSA
Agencias Canadenses y Occidentales,
S.A.,
Apartado 8600,
Mexico, D.F., Mexique

NORWAY E. Syrdalen & Co.,
Trondheimsveien 4,
Oslo, Norway

SWEDEN G. & L. Beijer Import & Export AB
P.O. Box 2135,
Gothenburg 2, Sweden

TAIWAN Yah Sheng Chong Yung Kee,
36 Kuah Chien Lu,
Taipei, Taiwan

VIETNAM Etablissements Central de Commerce,
Boite Postale No 765,
Saigon, Vietnam

UNITED KINGDOM W. A. Janitch, Vice-President,
Asbestos Corporation Services Ltd.,
2, 3 & 4 Cockspur Street,
London, S.W. 1, England



The illustration on the cover of this report is based on the above photograph, which shows some typical 12" diameter diamond drill core of asbestos ore at the Asbestos Hill property.

BANKERS

The Royal Bank of Canada

TRANSFER AGENTS

The Royal Trust Company, Montreal, Toronto

REGISTRAR

Crown Trust Company, Montreal, Toronto

GENERAL COUNSEL

Duquet, MacKay & Weldon, Montreal

AUDITORS

Price Waterhouse & Co., Montreal

ASBESTOS